



August 24, 2018

Marlene H. Dortch Secretary Federal Communications Commission 445 12th Street, S.W. Washington, DC 20554

Transmitted Electronically

Dear Ms. Dortch,

With a recent increase in media and telecommunications mergers, we have kept a close watch over the proposed combination of T-Mobile and Sprint. Regardless of party affiliation, as state attorneys general, we have a duty to protect citizens in our states. We have whole teams in our office dedicated to protecting consumers from anticompetitive business practices. In that sense, we are guardians of economic as well as legal justice. We take these matters very seriously. As Western state Attorneys General, we are particularly focused on improving the public safety, quality of life, and access to technology for our millions of citizens living in rural communities.

We are not alone in our consideration of this transaction. The United States Department of Justice is reviewing the matter, as is the Federal Communications Commission. Other Attorneys General across the country are analyzing the impact on their states as well. And, the Senate Judiciary Subcommittee on Antitrust, Competition Policy and Consumer Rights conducted a hearing on the merger.

Generally speaking, possible efficiencies, optimization and growth from a merger may result in improved products or services and the lowering of prices, all to the benefit of customers. On the other hand, a merger may tip marketplace balance too far in the favor of the newly combined companies, giving them monopoly power to raise prices and stifle competition, ultimately harming consumers and driving remaining industry competitors out of the market altogether.

Opponents of the merger are quick to point out that transactions shrinking the number of dominant players from four to three are often disfavored by policies promoting fair competition. While this premise may be true, this particular case has some unique qualities that make this an exception to the rule. Rather than creating a mega-player that will dwarf remaining competitors, a T-Mobile-Sprint merger will take the third and fourth largest domestic players and, combined, create an entity that remains third behind Verizon and AT&T in market share.

Based on our review of the proposed T-Mobile-Sprint transaction, we believe it will benefit consumers in our states—and the country at large—in critical ways. In particular, the combination will create a robust, nationwide 5G network that will greatly improve the lives of underserved Americans in rural areas, stimulate economic growth through investment and job creation, and increase competition in the converging internet market for mobile internet.

For millions of Americans, access to reliable and fast broadband service like 5G is a necessity for everyday tasks such as completing schoolwork, speaking with relatives, paying bills, and applying for jobs. What's more, when it comes to more advanced applications that are needed most in rural areas that lack resources—telemedicine, remote education, and online shopping for necessary goods not available in remote areas, and accessing government services—these "luxuries" are far outside the technological reach of those rural Americans who are left without adequate broadband connectivity.

Recently, the companies filed their <u>Public Interest Statement</u> with the Federal Communications Commission (FCC) in which they describe in detail, and with economic support, the benefits the merger will bring to all Americans.

Delivering robust broadband service to citizens living in rural communities and small towns across America improving their coverage, quality, speed, in-home service, and customer support is a stated priority for the New T-Mobile. And as attorneys general, we will hold them to that promise. The New T-Mobile has also revealed plans to add 600 or more new stores serving rural and small-town America and building up to 5 call centers, which will result in thousands of new jobs. This is of extreme significance in our minds. And we will do everything within our power to make sure the New T-Mobile lives up to these laudable commitments.

In this day and age, it's rare for elected officials from our two parties to agree on anything, so it is reassuring when we find common ground on something that has the potential to serve our constituents, protect the marketplace and benefit our nation. For Utahns, New Mexicans, and all Americans, in rural and urban communities and everywhere in between, we are hopeful that this merger will promote more competition in a converging wireless market and bring benefits to consumers through new technology and economic growth. For all of the reasons above, we encourage policymakers and regulators to approve the T-Mobile-Sprint merger.

Respectfully,

Sean D. Reyes

Utah Attorney General

Hector Balderas

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New Mexico Attorney General